

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

752
54

THE Livestock and Wool SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS - 40



AUGUST - SEPTEMBER 1945

AVERAGE PRICE PER 100 POUNDS, GOOD GRADE SLAUGHTER STEERS
AT CHICAGO, FEEDER STEERS AT KANSAS CITY, AND PRICE SPREAD.
BY MONTHS, 1938-42 AVERAGE, 1943-45



U. S. DEPARTMENT OF AGRICULTURE

NEG 45543 BUREAU OF AGRICULTURAL ECONOMICS

The spread between prices of feeder cattle and slaughter cattle in early September, including the 50-cent subsidy paid to producers for slaughter cattle weighing over 800 pounds, was slightly narrower than a year earlier. Prices of feeder cattle are likely to decline further in the next 2 months, as feeder cattle will not find such a ready outlet in the slaughter market as in the past 2 years, when military procurement of canned meat was large. Prices of fed cattle probably will be well maintained at near present levels into early 1946, with a continued strong demand for well-finished cattle and a seasonal reduction in marketings of such cattle.

UNITED STATES LAMB CROP, 1925-45

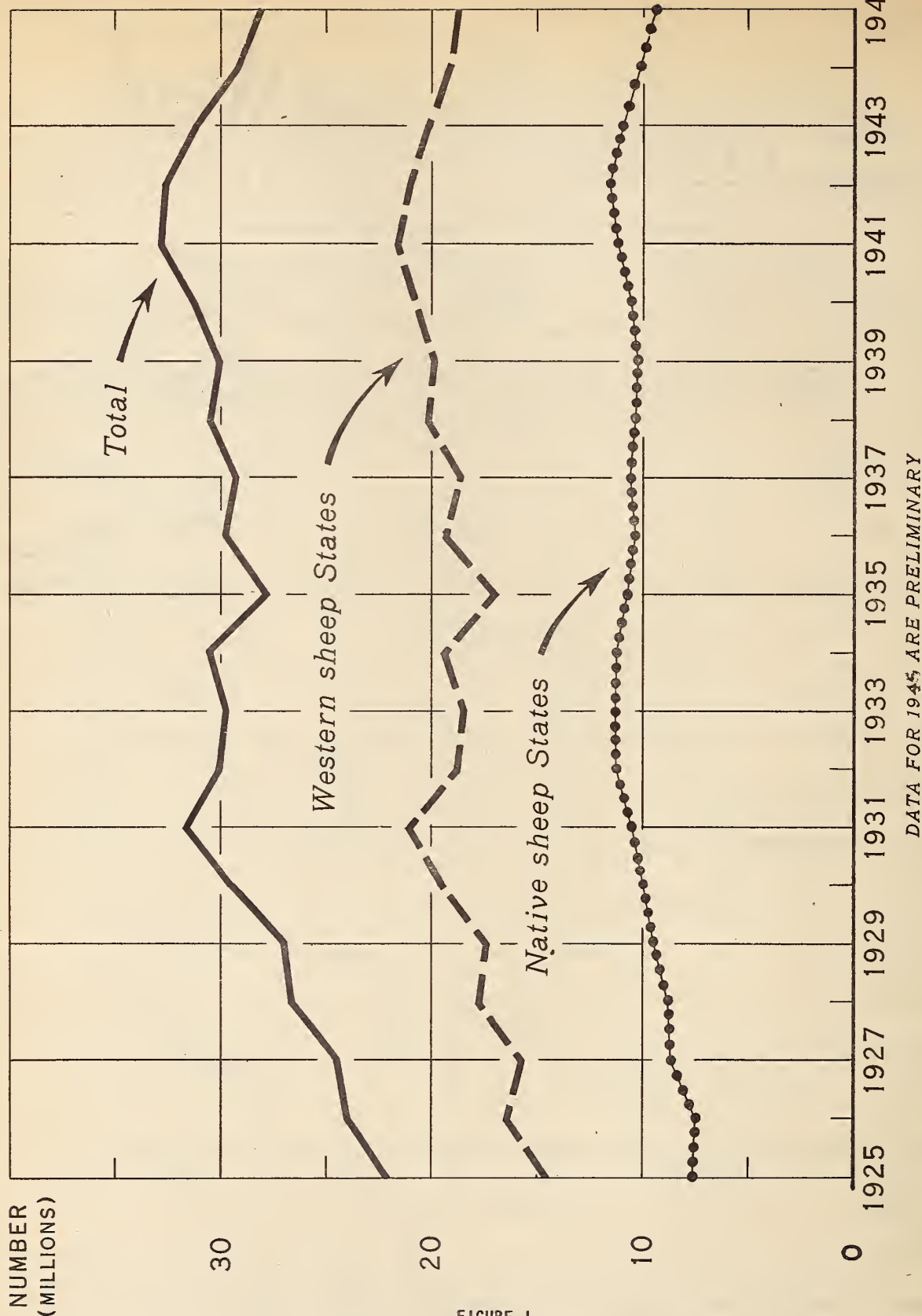


FIGURE 1.

The 1945 lamb crop, estimated at 28.2 million head, was about 1 million head smaller than the 1944 crop. This year's crop was 8 percent below the average for 1934-43 and except for the year following the 1934 drought, it was the smallest since 1929. In the Western Sheep States an estimated 18.8 million lambs were docked this year, about 2 percent less than a year earlier and the smallest number since 1937. The lamb crop of 9.4 million in the Native Sheep States was nearly 7 percent smaller than in 1944.

Slaughter of ewes during the first 7 months of 1945 exceeded the large slaughter of a year earlier and was the highest of record for the period. With a further reduction in stock sheep numbers in prospect this year, the 1946 lamb crop probably will be less than the small 1945 crop.

 THE LIVESTOCK AND WOOL SITUATION

<u>Contents</u>	<u>Page</u>
Summary	3
Outlook	6
Cattle Feeding Situation	8
Government Actions	12
The Wool Situation	13

SUMMARY

Demand for meat this fall and winter, although reduced by decreases in noncivilian procurement and by a decline in civilian purchasing power, is expected to be sufficiently strong to support prices of most meats and meat animals near present levels. Marketings of both hogs and lambs are expected to be smaller than a year earlier, reflecting a 7-percent decrease in the 1945 spring pig crop and a 3-percent decrease in the lamb crop this year. Hog prices probably will continue at ceilings, except for a possible temporary decline when marketings reach a seasonal peak in December or January. Prices of slaughter lambs, which have declined in recent weeks, probably will advance about seasonally in the winter and early spring. Government payments on slaughter lambs will be increased seasonally, hence feeder lamb prices may rise more than seasonally this winter. The supply of grain-fed cattle will be seasonally small in the fall and winter, and prices of such cattle probably will remain near present high levels. But with prospective large marketings of grass cattle and a material reduction in canned beef procurement, compared with last year, prices of lower-grade cattle are likely to be considerably below a year earlier during this period.

The outlook for cattle-feeding operations in the 1945-46 season is clouded by two major uncertainties. Subsidy payments on slaughter cattle, including the 50-cent payment to producers and the payments to slaughterers which range up to \$3.00 per 100 pounds, may be withdrawn. Withdrawal of payments to slaughterers would result in lower prices for cattle, except to the extent that beef prices might advance. However, it is understood that at least 6 months' notice will be given before any subsidy actions which would reduce returns to producers are taken.

Another uncertain aspect of cattle feeding this season arises from the late plantings and slow early season development of corn, which may result in a large proportion of "soft" corn in this year's harvest. This would result in heavy feeding of such corn during the winter to cattle suitable for a short feed, and in early marketings of fed cattle next spring. Soft corn deteriorates rapidly in warm weather, and because of the large proportion of fiber to nutrients it is better adapted to cattle feeding than to hog feeding.

The margin between prices of fed cattle and feeder cattle in early September was slightly narrower than a year earlier. Prospects are that this margin will widen during the fall. Sales of feeder and stocker steers at principal Corn Belt markets were unusually small in August and early September.

Reflecting reduced Government purchases, set-asides on all types of meat were suspended for an indefinite period in August and early September. However, lard, amounting to 4 percent of the live-weight hog slaughter, is still required to be reserved for Government purchase by federally inspected packers in 19 States. Quota restrictions on nonfederally inspected commercial

and farm slaughter were suspended September 8. At the same time OPA's Meat Control Order, requiring meat distributors to deliver the same proportion of their civilian supplies to the same trading area as in the first quarter of 1944, was suspended.

Civilian supplies of wool fabrics will increase in the latter part of 1945 and early 1946, because of recent cancellations of Army orders. It will take several months, however, before the increased production of fabrics will be reflected in larger supplies of finished clothing at retail. Some decline in mill consumption of apparel wool will accompany the decline in production of military fabrics this fall, but in view of small commercial inventories of wool fabrics and clothing, and large civilian consumer demand, the decline probably will be moderate.

United States production of shorn wool in 1945 is now estimated at 323 million pounds, 7 percent smaller than in 1944 and 18 percent smaller than the 1942 record of 392 million pounds. Production of pulled wool is likely to be smaller than last year's record of 71 million pounds. Total wool production will fall below 400 million pounds for the first time since 1929. As of June 30, about 110 million pounds (grease basis) of the 1945 production had been purchased by the Commodity Credit Corporation, of which about 30 million pounds had been resold to mills. The Commodity Credit Corporation on June 30 also held about 250 million pounds of domestic wool purchased under the 1943 and 1944 programs. CCC stocks plus mill and dealer stocks of apparel wool on June 30 totaled 715 million pounds (grease basis) compared with 618 million pounds on July 1 last year.

-- September 20, 1945

Prices of Hogs, Better-Grade Cattle, and
Lambs to be Well Maintained This
Fall and Winter

Over-all meat supplies for the fall and winter are indicated to be less than demand at present meat prices, despite recent cutbacks in military and export procurement programs. Civilian demand for meat, with national income less than in the first half of 1945, but with retail prices about the same, is estimated at the annual rate of 155 to 160 pounds, wholesale weight, per capita, for the last quarter of 1945 and the first quarter of 1946. ^{1/} Civilian supplies probably will be moderately less than this quantity. However, supplies of lower-grade meat, particularly lower-grade beef cuts, may exceed demand for such meat. This will result from a material reduction in military purchases of canned meat, compared with a year ago, and large marketings of grass cattle this fall. With seasonally reduced marketings of grain-fed cattle in prospect, supplies of top-quality beef are likely to be considerably less than demand.

With decreased requirements by the armed forces for canning beef (only partially compensated by purchases for foreign relief), prices of lower-grade cattle may decline more than seasonally through October and early November, as the market movement of grass cattle reaches greatest volume. Prices of well-fed grain cattle, on the other hand, are likely to be maintained near present high levels through the fall and winter.

The 1945 spring pig crop was estimated to be 7 percent less than the 1944 spring pig crop and 30 percent less than the record-breaking spring pig crop in 1943. Hog marketings probably will be moderately smaller this fall and winter than last, and materially smaller than the large marketings in the fall and winter of 1943-44. Hog prices are likely to be maintained at ceiling levels during this period, except for a possible temporary decline in December or January when peak marketings occur.

The supply of lambs from this year's reduced lamb crop also is smaller than a year earlier. Prices of fed lambs probably will increase about seasonally during the winter and early spring. Subsidy payments on slaughter lambs will rise seasonally and it is likely that prices of feeder lambs will increase greater than seasonally during the winter.

Noncivilian Meat Requirements Reduced

Following the surrender of Japan the Army reduced its stated purchase requirements for meat. New Army requirements for the last quarter of 1945 and the first quarter of 1946 are somewhat less than the quantities procured in the fourth quarter of 1944 and the first quarter of 1945. Reduced military and export procurement in late August and early September resulted in a marked increase in civilian supplies. Total purchases of meat by noncivilians, which ran ahead of a year earlier in January-July, reflecting higher military purchases, will total less than a year earlier in September-December.

^{1/} See demand analysis in July 1945 issue of The Livestock and Wool Situation.

The quantity of meat that will be shipped from this country to Europe is still uncertain. Lend-lease shipments were terminated in late August, but some shipments of meat to certain countries formerly receiving lend-lease aid, are continuing under other financial arrangements and some purchases for relief shipments to other countries may be made.

Cattle Slaughter at or Near Record High

Cattle slaughter in July and August was somewhat less than a year earlier. Slaughter increased materially in the last 2 weeks of August, and continued at a high rate in early September, slightly exceeding last year's record for that period.

Cattle marketings and slaughter probably will be large during the fall and winter, with a near record number of cattle now on farms and ranches and a larger number of cattle on feed this summer than last. Good to excellent pasture conditions, over most of the country, apparently retarded the movement of grass cattle to market this summer.

Reports from the leading cattle markets in late August and early September indicated that a scarcity of skilled labor in meat-packing plants was hampering the slaughter of cattle.

Marketings of calves for slaughter from May through August were materially less than the unusually large marketings last year, and calf slaughter continued under last year in early September. No large liquidation of cattle breeding stock is now in evidence.

Table 1.- Federally inspected slaughter of cattle and calves, by months, May-September and slaughter at 32 centers, by weeks, August 4-September 15, 1944-45

Month and week	Cattle			Calves			Total cattle and calves		
	: 1945 as :			: 1945 as :			: 1945 as :		
	1944	1945	percent-	1944	1945	percent-	1944	1945	percent-
	: age of : : 1944 :			: age of : : 1944 :			: age of : : 1944 :		
	Thous.	Thous.	Pct.	Thous.	Thous.	Pct.	Thous.	Thous.	Pct.
Month	Total federally inspected slaughter								
May	989	1,045	106	541	522	96	1,530	1,567	102
June	1,003	1,060	106	594	486	82	1,597	1,546	97
July	1,079	1,050	97	634	482	76	1,713	1,532	89
Aug.	1,339	1,292	96	756	609	81	2,095	1,901	91
Week ended	Federally inspected slaughter at 32 centers								
Aug. 4	220	194	88	112	87	78	332	281	85
11	233	202	87	125	79	63	358	281	78
18	243	157	65	123	77	63	366	234	64
25	236	245	104	124	96	77	360	341	95
Sept. 1	231	249	108	122	113	93	353	362	103
8	202	209	103	112	91	81	314	300	96
15	248	263	106	131	115	88	379	378	100

1945 Lamb Crop Reduced

The lamb crop this year was estimated at 28.2 million head, 3 percent below 1944, and about 8 percent below the average for 1934-43. Except for the small crop saved in 1935, following the 1934 drought, this year's crop was the smallest since 1929. Available slaughter data indicate that slaughter of 1945-crop lambs to August 1, 1945 was moderately less than slaughter of 1944 crop lambs to August 1, 1944. But fewer lambs than a year ago will be available for slaughter or for feeding during the rest of the marketing season. Inspected slaughter of sheep and lambs in August, totaling 1,563,000 head, was 19 percent less than in August 1944. Sheep and lamb slaughter also was less than a year earlier in early September.

Table 2.- U. S. lamb crop, by regions, 1935-45

Year	:Ewes 1 year and over on :farms and ranches, Jan. 1			:Lambs saved per 100 ewes			: Total number of lambs : saved 1/		
	Western:	Native	United	Western:	Native	United	Western:	Native	United
	: sheep	: sheep	: States	: sheep	: sheep	: States	: sheep	: sheep	: States
	: States	: States	: States	: States	: States	: States	: States	: States	: States
	: 2/	:	:	: 2/	:	:	: 2/	:	:
	: Thous.	Thous.	Thous.	No.	No.	No.	Thous.	Thous.	Thous.
1935-39									
average	24,348	10,728	35,076	78	98	84	18,995	10,490	29,485
1940	24,951	10,986	35,937	83	96	87	20,726	10,541	31,267
1941	25,415	11,289	36,704	85	99	90	21,664	11,190	32,854
1942	26,075	11,645	37,720	81	99	86	21,053	11,551	32,604
1943	26,166	11,556	37,722	77	96	83	20,202	11,108	31,310
1944	24,239	10,468	34,707	79	97	84	19,135	10,113	29,248
1945 ^{3/}	23,105	9,486	32,591	81	99	87	18,818	9,432	28,250

1/ Lambs living or sold by June 1 in the Native Sheep States and lambs docked or branded in the Western Sheep States.

2/ Includes the 11 Western States, Texas and South Dakota.

3/ Preliminary.

THE CATTLE FEEDING SITUATION

Two major factors affecting cattle feeding this fall are: (1) the length of time that subsidy payments on cattle will remain in effect; and (2) the possibility that an unusually large proportion of the corn crop this year will not mature before frost. Prices of top-grades of beef are expected to be maintained at or near present levels through the winter and spring of 1946.

The spread between prices of feeder cattle and slaughter cattle in early September, including the 50-cent subsidy paid to producers for slaughter cattle weighing over 800 pounds, was slightly narrower than a year earlier. It is understood that the producer subsidy will not be withdrawn without at least 6-months advance notice; hence cattle feeders purchasing cattle this fall, for fattening for market next spring, will be able to discount this factor in advance. It is understood also that no action on subsidy payments to slaughterers that would reduce returns to producers will be taken without at least 6 months notice. Payments to

slaughterers vary from \$0.25 to \$3.00 per 100 pounds liveweight of cattle slaughtered, depending on the grade of cattle. The withdrawal of payments to slaughterers without compensating increases in wholesale and retail prices of meats, or with only partially compensating increases in meat prices, would cause prices of cattle to decline. The extent of the decline would depend largely on the size of the subsidy payment for individual grades of cattle and also on the extent to which meat prices might advance.

The subsidy to slaughterers amounts to \$2.95 to \$3.00 per 100 pounds for good and choice cattle selling at the top of the stabilization price range; it amounts to \$1.90 for medium grade cattle and \$1.25 for all other grades of cattle, when sold at the top of the stabilization range. Subsidies on cattle selling at the bottom of the stabilization range are \$1.20 less than on cattle selling at the top, except that for lower-grade cattle the subsidy is not less than \$0.25.

Prices of top-grade beef probably would advance in the next 6 to 9 months, if price ceilings on beef were raised or removed. But with large supplies of lower-grade beef to be available this fall and winter as a result of large slaughter of grass cattle, and the cut-back in military procurement of canned meat, prices of lower grade beef may decline regardless of any change in ceiling prices for such beef. Prices of feeder cattle are likely to decline further in the next 2 months, as feeder cattle will not find such a ready outlet in the slaughter market as in the past 2 years, when military procurement of canned meat was important in sustaining prices of low-grade slaughter cattle and feeder cattle.

Quality of Corn Crop Still in Doubt 1/

Cattle feeders' prospects are made more complex than usual this fall because of the possibility that an unusually large proportion of the corn crop this year will not mature before frost date. Hence, large quantities of soft corn, of low feeding value, may be harvested. The risk of frost damage appears to be greatest in some of the more important feeding areas. In general, soft corn can be used to better advantage for feeding cattle than for hogs.

Two previous years when a large proportion of the corn harvested was soft were 1915 and 1924. In the feeding seasons which followed those years cattle and hogs were marketed earlier than usual, and relatively little long feeding was done. Hogs were marketed at unusually light weights, and market supplies were relatively large in the early winter. The bulk of the cattle fed were marketed during the first half of the year. In the second half, marketings of both hogs and fed cattle tended to be unusually small.

This pattern of distribution of cattle and hog marketings over the year following a soft corn crop resulted in sharp price changes. Prices tending to be depressed during the period of heavy marketings, and rose sharply when marketings dropped more than seasonally later in the year.

1/ This section of the report was prepared by C. A. Burneister, Livestock Branch, Production and Marketing Administration.

The feed situation this fall may be much like that in 1915 and 1924, unless frosts come later than usual. If there are larger-than-average supplies of soft corn, there is likely to be an active demand for cattle that could most effectively utilize this feed. This would include the kinds that would give best results with comparatively short feeding, such as cows and well-conditioned, heavy-weight feeder steers and heifers. Well-bred, beef-type calves and yearlings, generally used for long feeding, probably would not be in so active demand as in years when the corn crop is of better feeding quality.

With a large proportion of soft corn, most of the cattle going on feed this fall would be marketed for slaughter in the late winter and early spring. The supply for market next summer and fall would tend to be below average and might be extremely small.

The uncertainties in the prospects for cattle feeding in the coming year are reflected to some extent in the actions of cattle finishers since early July. Shipments of stocker and feeder cattle into eight Corn Belt States during July were about equal to those of July 1944 and 1941, but were considerably larger than in July 1942 and 1943. During August, however, these shipments were 14 percent less than a year earlier, and during the first half of September the movement from the four larger public markets was 24 percent below a year earlier. The delayed movement of range cattle to market because of unusually favorable grazing conditions this year probably accounts in part at least for the smaller number of feeder cattle purchased this year compared with other years. Another factor contributing to the small movement to feed through most of the summer was the higher prices of feeder cattle than a year earlier.

While the number of cattle on feed for market in the Corn Belt States on August 1 was reported to be 16 percent greater than the relatively small number on feed August 1, 1944, the total was smaller than the number of feed on August 1 in all other years since 1937. Most of the increase in the number on feed over last year comprised cattle that had been on feed more than 4 months and that would be marketed for slaughter before the end of 1945.

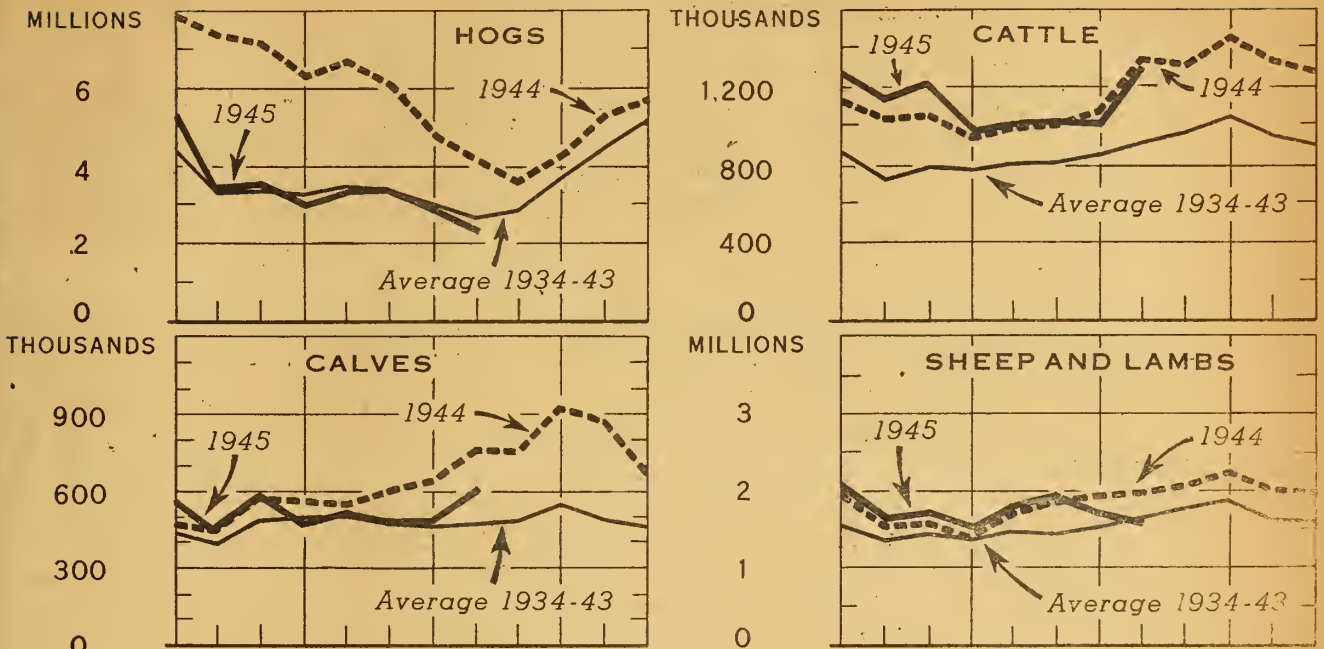
The indicated feed grain supply in the Eastern Corn Belt, based on September 1 crop conditions and expected carry-over, is about 20 percent greater than a year earlier. But if the indicated increase of 12 percent in fall farrowings of sows in that area materializes, the requirements for feed there will exceed those of last year. The demand for poultry and dairy feed in that area is greater than in 1944, although demand for poultry feed may weaken next spring, reflecting lower egg prices.

The carry-over of corn in the Western Corn Belt is larger than last year, but with a smaller crop in prospect, total feed-grain supplies there may be down, while the demand for feed for local use this fall and winter will be greater, because of increased hog and poultry numbers.

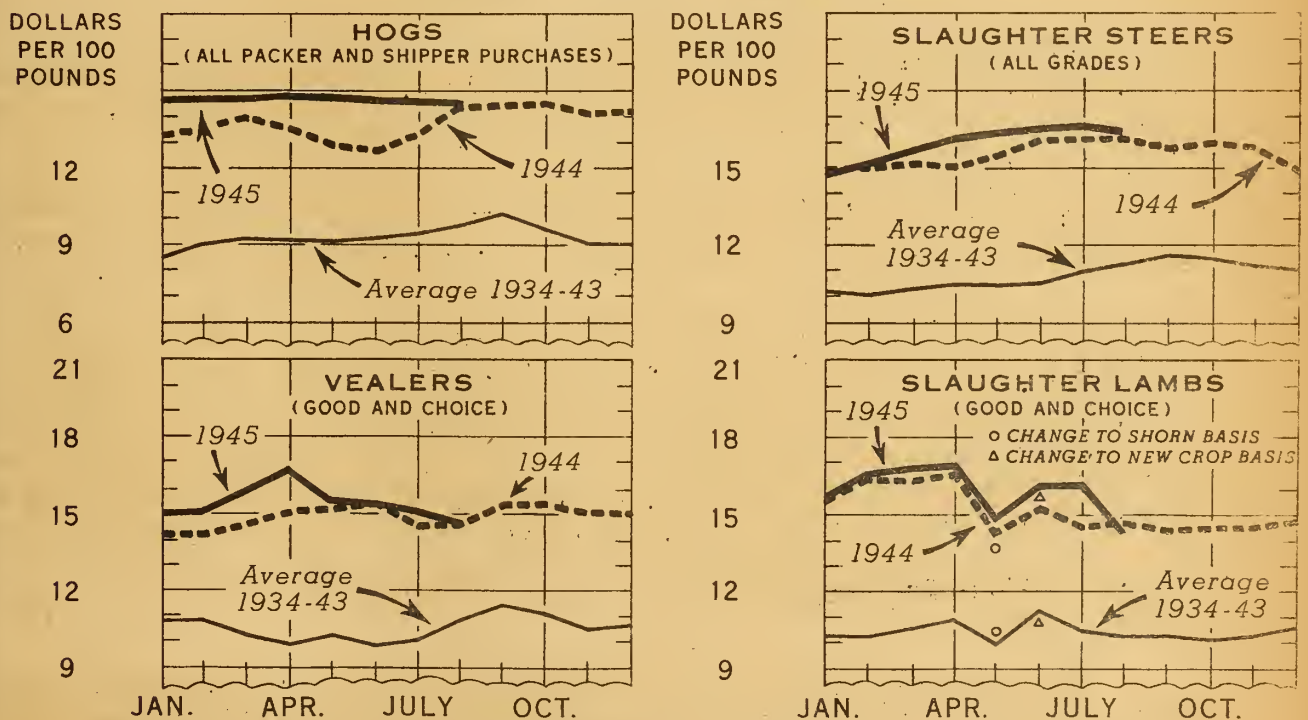
In most sections of the country, hay and forage supplies are relatively abundant. This will tend to strengthen demand for stock cattle, and may have some influence in holding back marketings of such cattle.

LIVESTOCK SLAUGHTER AND PRICES

FEDERALLY INSPECTED SLAUGHTER, UNITED STATES*



MARKET PRICES AT CHICAGO



* INCLUDES SLAUGHTER IN "FULMER" PLANTS SINCE 1941, NOT PREVIOUSLY UNDER FEDERAL INSPECTION

FIGURE 2.

GOVERNMENT ACTIONS

Lend-Lease Aid to Allies Halted

The lend-lease program of shipments of food and other materials to Allies of the United States during the war was ordered to end by presidential announcement August 21, 1945. The President at the same time ordered all outstanding contracts for lend-lease supplies cancelled, except in special instances where the United States has a special interest to complete them. Some shipments of meat will continue to countries formerly receiving lend-lease aid, through other credit arrangements.

Shipments of meat abroad through lend-lease arrangements began in 1941. From 1941 through 1944, meat shipments through the lend-lease program totaled approximately 5,070 million pounds, actual weight, equivalent to over 7,000 million pounds of dressed meat. Actual weight shipments by years were as follows:

<u>Year</u>	<u>Million pounds</u>
1941	347
1942	1,145
1943	1,945
1944	1,633

The United Kingdom, the British armed services, British colonies and dominions, the U.S.S.R., the Netherlands Army, French North Africa, and French West Africa have been recipients of lend-lease meat shipped from the United States. In 1944, of the total lend-lease shipments of meat, almost 59 percent went to the United Kingdom, the British armed services, and British colonies and dominions; almost 41 percent was shipped to U.S.S.R.; the remainder, amounting to a fraction of 1 percent, was shipped to other countries.

The United States armed forces in the Pacific have received substantial quantities of meat from Australia, New Zealand, and India through reverse lend-lease. From the beginning of the lend-lease program through December 31, 1944, Australia supplied 319 million pounds of red meat to the American armed forces, according to statistics of the Foreign Economic Administration. New Zealand supplied 317 million pounds. Meat received from India under reverse lend-lease, including fish and poultry, totaled 31 million pounds.

Beef, Veal and Pork Set-Asides
Suspended

Effective August 19 the beef and veal set-asides were indefinitely suspended, as Army buying schedules were scaled down, and with a seasonal increase in beef production in prospect. Several pork items were removed from the set-aside. Effective September 2 set-asides were suspended on all pork cuts.

A quantity of lard equal to 4 percent of liveweight hog slaughter is still required to be set aside by federally inspected packers, except in 29 Eastern, Southern, and Western States.

OPA Slaughter Quotas and Meat
Control Plan Suspended

All restrictions on slaughter by nonfederally inspected commercial slaughterers (class 2) and farm slaughterers (class 3) were indefinitely suspended, effective September 3. At the same time, controls on the delivery of meat to civilians under Control Order 1 were suspended for an indefinite period.

Prior to September 8, slaughter by class 2 slaughterers was limited to a percentage of the liveweight on which they collected subsidy payments in the same month of 1944. Quotas were 125 percent for cattle, 100 percent for calves, 65 percent for hogs, and 110 percent for sheep and lambs. The meat distribution order (Control Order 1) required meat distributors to deliver about the same proportion of their civilian supplies to the same trading areas as in the first quarter of 1944.

Canada Embargoes Shipments of
Sheep to United States

Exports of sheep and lambs from Canada to the United States for slaughter were halted July 6, as Canada restricted shipments of all but breeding sheep from that country.

Exports of sheep and lambs from Canada to the United States for the period January 1 to July 19, 1945 totaled 92,177 head. Prior to September 29, 1944, Canada had an embargo on shipments of slaughter sheep and lambs. After the embargo was lifted, 137,000 head of sheep and lambs entered the United States from that country in the remainder of 1944. Total United States imports of sheep and lambs from Canada from 1936 through 1943 did not exceed 4,500 annually, and imports for slaughter were less than 1,000 head a year.

THE WOOL SITUATION

Civilian Supplies of Wool
Fabrics To Increase

The ending of the war has considerably altered the civilian wool textile outlook for the latter part of 1945 and early 1946. As a result of large-scale cancellation of Army orders for wool fabrics and blankets, mill output in the remainder of the year will consist largely of civilian fabrics. In view of the potentially high level of total mill production, supplies of civilian wool fabrics probably will increase rapidly from present low levels. It will take several months, however, before the increased production of civilian fabrics will be reflected in larger supplies of finished clothing at retail. The supply situation for woolsens probably will improve somewhat by the end of the year, since civilian production of woolsens increased after quota restrictions on spindle activity were removed June 17. Worsted mills were more fully employed on military fabrics when the war ended, and the change-over in this section will take somewhat longer.

Mill output of woven wool fabrics for military and civilian use totaled 266.3 million linear yards in the first half of 1945, according to the September report of the Bureau of the Census. This was 3 percent smaller than in the corresponding months of 1944, but was 43 percent larger than the 1939 rate of production.

Because of large military requirements, less than half of the January-June production was available for civilians, and production of civilian fabrics was about 35 percent smaller than in the same months of 1939.

Table 3.-Woven wool cloth: Production by United States mills, annual 1939, 1942-44, and specified quarters 1944-45

Item	1939	1942	1943	1944	1944	1945	
					Apr- June 1/	Jan- Mar 1/	Apr- June
	Million yards	Million yards	Million yards	Million yards	Million yards	Million yards	Million yards
Apparel fabrics							
Men's wear	178.9	277.0	256.8	218.5	56.7	55.8	60.8
Women's and children's wear	107.1	107.6	132.1	171.3	43.9	38.1	22.8
General use fabrics ^{2/}	25.7	63.4	44.0	46.9	11.4	15.9	12.9
All other apparel	9.4	8.8	7.7	5.1	1.3	1.4	2.2
Total apparel	321.1	456.8	440.6	441.6	113.3	111.2	98.7
Non-apparel fabrics							
Blankets	19.8	64.1	89.3	78.9	20.4	24.3	28.4
Other ^{3/}	31.3	6.9	6.6	8.2	1.9	2.1	1.6
Total non-apparel ^{3/}	51.1	71.0	95.9	87.1	22.3	26.4	30.0
Total woven fabrics ^{3/}	372.2	527.8	536.5	528.7	135.6	137.6	128.7

1/ Revised. 2/ Includes meltons, mackinaw, snow and ski suit cloth, linings and inter-linings, and bathrobe flannels. 3/ Excludes woven felts which are reported by weight. Compiled from reports of the Bureau of the Census.

Smaller Wool Consumption Indicated For Late Months of 1945

Some decline in mill consumption of apparel wool will accompany the decline in production of military fabrics this fall. But in view of small commercial inventories of wool fabrics and clothing and large civilian consumer demand, the decline in mill consumption in the latter part of the year probably will be moderate. Consumption of domestic wool will decline more sharply than total consumption as production of military fabrics drops, if the present disparity between prices of domestic and imported wools continues. Mills report that only one-third of the apparel wool used in the first half of this year was domestic wool. Even with large production of military fabrics, the rate at which domestic wool was used was below the rate of domestic production.

Mill labor supply and average working hours are likely to be important factors in wool fabric output and in total mill consumption as mills shift from military to civilian fabrics. Production of wool fabrics in the past few years has been limited by a scarcity of mill workers, but the lengthening of the work week and the concentration of production on a relatively small number of types of military fabrics has made possible a high yardage output per worker. Pro-

duction of civilian fabrics of many diverse types will require frequent changes in set-up and more labor per unit. Total wool consumption also will reflect the lighter weight of civilian fabrics and smaller use of raw wool per yard than has been required for military fabrics.

Mill consumption of domestic and foreign apparel wool in June averaged 22.2 million pounds a week (grease basis). This was about the same as the May rate, but was 22 percent larger than in June 1944. Consumption reached a new record of 23.8 million pounds a week in March, and then declined moderately during the second quarter. Consumption for the first 6 months of this year totaled 583 million pounds (grease basis), a new record for any 6-month period, compared with 517 million pounds in the first half of last year.

Domestic Wools Continue To
Accumulate in Government Hands

Domestic wool continues to accumulate in Government hands because Commodity Credit Corporation selling prices for domestic wool are much higher than prices of comparable imported wools. As of June 30, about 110 million pounds (grease basis) of the 1945 production of shorn and pulled wool had been purchased by the CCC, of which 30 million had been resold to mills. Government appraisals of 1945 wools through September 15 totaled 256 million pounds (grease basis). Practically all of the 1945 production probably will be purchased by the Government. On June 30 the Commodity Credit Corporation also held about 250 million pounds (grease basis) of domestic wool purchased under the 1943 and 1944 programs.

The greater part of the Commodity Credit Corporation stocks are fine and half-blood wools. These grades constituted 82 percent of the shorn wool and about 55 percent of the pulled wool stocks (actual weight) reported on June 30. About 13 percent of the shorn wool and 42 percent of the pulled wool stocks graded 3/8 blood and 1/4 blood.

Table 4.-Stocks of domestic wool owned by the Commodity Credit Corporation on June 30, 1945, by grades
(Actual weight)

Grade	Shorn		Pulled		Total
	Greasy	Scoured	Greasy	Scoured	
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds
Fine 64/70s	: 173,041	991	4,425	1,519	184,976
Fine medium and 1/2 blood, 60/64s and 60s	: 43,891	1,735	10,880	5,803	59,309
3/8 blood, 58s, 56s	: 25,525	1,814	10,459	6,061	43,860
1/4 blood, 50s 48s 1/	: 7,461	114	496	454	8,525
Low 1/4 blood, 46/48s	: 2,237	99	139	169	2,644
Common and braid, 36s, 40s, 44s	: 1,418	16	19	61	1,514
Other 2/	: 9,792	240	222	763	11,017
	:	:	:	:	:
Total	: 265,366	5,009	26,640	14,830	331,845

1/ Includes 50/56s scoured wool.

2/ Includes Navajo, untied fleece and all offsorts, not reported by grades.

3/ Equivalent to approximately 327 million pounds grease basis.

Compiled from reports of the Production and Marketing Administration.

Total stocks of domestic and foreign apparel wool held by CCC and by mills and dealers amounted to 715 million pounds (grease basis) on June 30, compared with 618 million pounds on July 1, 1944 according to the Bureau of the Census. Manufacturers held 219 million pounds of apparel wool on July 1 -- mostly foreign wool -- compared with 204 million pounds on July 1 last year and 1935-39 average July 1 mill stocks of 129 million pounds. The June 30 mill stocks this year represented about 2.6 months' supply at the 1945 rate of consumption, while 1935-39 average July 1 mill stocks represented about a 2.7 months' supply at the lower rate of consumption existing in those years. Manufacturers owned only 39 million pounds of domestic wool on June 30. During the period of Government purchase of the domestic wool production, mills have held their inventories of domestic wool close to operating requirements.

Table 5.-Stocks of apparel and carpet wool held by Commodity Credit Corporation, dealers and manufacturers, grease basis, United States, 1937-45 1/

Year and date:	Apparel wool				Total	Carpet wool
	Domestic		Foreign			
	Dealers 2/	Mills 3/	Dealers	Mills 3/		
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
1937-June 26	131,967	87,989	15,332	47,642	282,980	42,270
1938-June 25	169,043	95,397	11,718	20,351	296,509	42,839
1939-July 1	107,910	103,857	13,118	25,457	250,342	41,373
1940-June 29	110,783	99,833	16,419	30,746	257,831	55,886
1941-June 28	100,076	91,928	32,544	117,641	342,189	66,173
1942-July 4	181,419	140,040	4/62,091	4/261,772	4/645,322	5/
1943-June 26	215,955	103,579	39,044	154,473	513,051	53,308
1944-April 1	212,479	43,697	66,962	142,972	471,110	40,138
-July 1	341,458	50,982	73,464	152,549	618,453	33,431
-Sept. 30	406,056	43,153	31,310	138,767	669,296	48,904
-Dec. 30	349,173	57,079	31,167	147,960	635,379	52,197
1945-Mar. 31	318,559	47,292	56,968	189,960	612,779	66,412
-June 30	429,420	39,172	66,697	179,714	715,003	67,379

1/ Excludes wool on farms and ranches, Defense Supplies Corporation stocks, and wool stored for the British Government.

2/ Includes stocks owned by the Commodity Credit Corporation.

3/ Includes topmakers.

4/ Includes carpet wool which was not reported separately.

5/ Included with apparel wool.

Compiled from reports of the Bureau of the Census.

Decline in Domestic Wool

Production Continues

United States shorn wool production in 1945 is estimated at 323 million pounds, 7 percent smaller than the 1944 production, and 18 percent smaller than the 1942 record production. It is the smallest shorn wool production since 1928. With production of pulled wool likely to be smaller than last year's record of 71 million pounds, total production of shorn and pulled wool will fall below 400 million pounds for the first time since 1929. More profitable returns from other farm products than from lambs and wool, higher production costs, and a difficult labor situation are largely responsible for the decline in wool production since 1942.

The decline in shorn wool production, this year compared with last, resulted from an 8 percent decline in the number of sheep shorn. The average weight per fleece this year is estimated at 7.93 pounds, compared with 7.83 in 1944, and a 10-year (1934-43) average of 7.99 pounds. The increase in fleece weight was larger in the western sheep States than in the "native" or "fleece" wool States. Production in the latter States in 1945 is estimated at 85 million pounds compared with 94 million pounds in 1944. In the 13 western sheep States shorn wool production this year is estimated at 238 million pounds, compared with 254 million pounds in 1944. Wool production was smaller in 1945 than in 1944 in all of the western sheep States except Colorado, where a heavier fleece weight more than offset the decline in sheep numbers.

Table 6.- Stock sheep and lambs on farms January 1, number shorn and wool produced, United States, 1934-45

Year	Stock sheep:			Production (shorn wool)			Pulled
	and lambs	Sheep and	Weight:				wool
	on	lambs	per	Western sheep	Fleece wool:		production
	farms	shorn	fleece:	States 1/	States 2/	Total	tion
	January 1						
	Thousands	Thousands	Pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1934	48,244	46,421	7.95	268,396	100,464	368,860	60,500
1935	46,139	44,991	8.04	257,739	103,792	361,531	66,000
1936	45,386	44,623	7.91	255,289	97,574	352,863	66,200
1937	45,422	44,444	8.04	260,215	97,239	357,454	66,200
1938	45,119	45,030	8.02	266,392	94,788	361,180	64,500
1939	45,710	45,423	8.01	265,629	98,087	363,716	64,500
1940	46,558	46,645	8.03	274,060	100,504	374,564	62,000
1941	47,804	48,130	8.11	284,557	106,011	390,568	65,800
1942	49,807	49,784	7.88	279,822	112,551	392,373	66,700
1943	48,796	48,573	7.91	274,302	110,076	384,378	63,600
Average:	46,899	46,407	7.99	268,640	102,109	370,749	64,600
1944	45,232	44,324	7.83	253,550	93,544	347,094	71,000
1945 3/:	41,315	40,670	7.93	237,689	84,932	322,621	

1/ Includes all 11 Western States, South Dakota, and Texas.

2/ All States other than the 13 Western sheep States.

3/ Preliminary.

WFO 50 Restricting Sales of Domestic Wool Terminated

War Food Order 50, which restricted the sale of most domestic wools to the Commodity Credit Corporation, was terminated by the Department of Agriculture on August 29. While this action ended mandatory sales of wool to the Commodity Credit Corporation, the Government wool purchase program is being

continued on a voluntary basis, and the Commodity Credit Corporation will purchase all wool offered until June 30, 1946, under conditions specified in the 1945 purchase program.

War Food Order 50 was issued originally in April 1943. It was a part of the Government purchase program to stabilize prices for United States wool growers and to assure effective distribution of wool for war and civilian requirements.

Little Change in Wool Prices in Recent Months

Market prices for domestic wool continue unchanged, with the Commodity Credit Corporation selling all wools at appraised value. Prices of imported Uruguay wools weakened slightly in August, but prices of spot Australian wools at Boston strengthened. Demand for foreign wools in recent weeks has been chiefly for fine grades. Commodity Credit Corporation prices for domestic wool are still some 12 to 20 percent higher than prices of comparable imported wools.

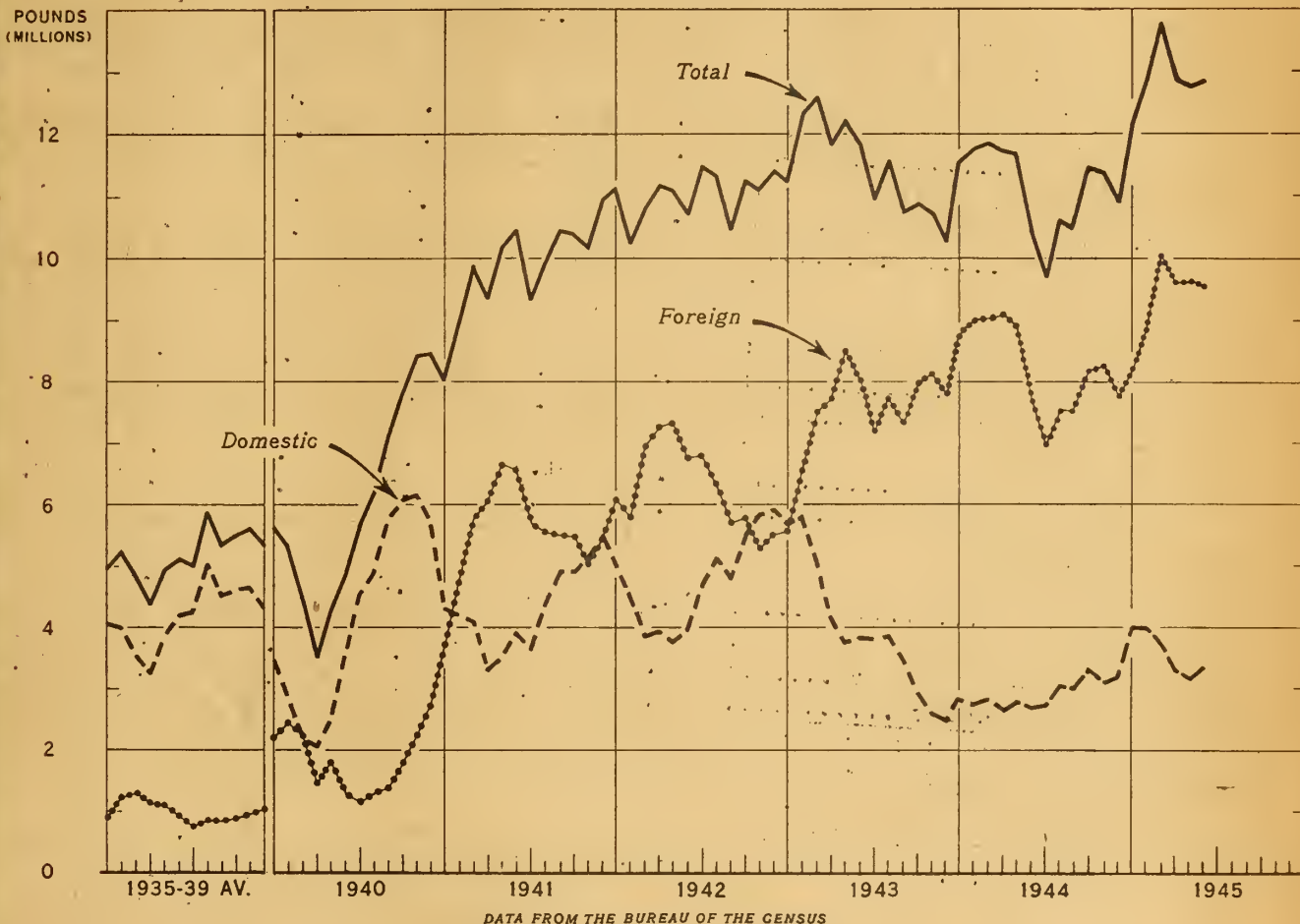
The average price to United States wool growers was 40.8 cents a pound for the first 8 months of 1945, compared with 41.5 cents for the corresponding months last year. The difference is due largely to differences in the quality and shrinkage of the wools. Since the Commodity Credit Corporation will continue to purchase domestic wool at present prices until June 30, 1946, prices to growers will remain near present levels through 1945 and the first half of 1946.

Marketing of British Empire Wools to be Under Government Supervision

The United Kingdom, Australia, New Zealand, and South Africa have agreed to form a joint organization for orderly marketing of the wartime accumulation of wool stocks now owned by the British Government, in conjunction with marketings of the post-war production of British Empire countries. As soon as conditions permit, the plan contemplates that the new wool production of these countries will be offered at auction, as before the war. Carry-over wools also will be offered at auction. All carry-over wools will be offered with reserve limits on price as a condition of sale; the joint marketing organization will withhold old wools and will purchase new wools not sold at or above the reserve prices. The plan anticipates that unnecessarily wide price fluctuations can be avoided during the disposal period by the joint measures of adequate offerings and minimum price reserves on all sales.

The carry-over from the British purchase of Australian, New Zealand, and South African wools amounted to more than 3 billion pounds as of June 30, 1945, the equivalent of 2 years' production in those countries. The three Empire countries included in the plan normally provide about three-fourths of world wool exports. The Governments of these countries, together with the British Government, will share ownership of all wools included in the plan, and will also share all storage and marketing expenses, and any final profit or loss resulting from sale of the stocks.

APPAREL WOOL, SCOURED BASIS: MILL CONSUMPTION BY PLACE OF
ORIGIN, UNITED STATES, 1935-39 AVERAGE, AND 1940-45
WEEKLY AVERAGE FOR EACH MONTH



DATA FROM THE BUREAU OF THE CENSUS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 43273 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3.

Since 1942 the annual rate of total consumption of apparel wool has been twice as large as the 1935-39 average owing to large military requirements and large civilian consumer demand. Consumption of domestic wool, however, has been much smaller than prewar, because CCC selling prices of domestic wool are some 12 to 20 percent higher than prices of comparable imported wools.

Consumption will decline moderately in the latter part of 1945 because of the decline in production of military fabrics. Consumption of domestic wool will decline more sharply than total consumption, if the present price disparity continues.

Prices per pound of wool and other textile fibers, United States, 1942-45

	Annual average			1944		1945	
	1942	1943	1944	Aug.	June	July	Aug.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers,							
grease basis, 15th of month.	40.1	41.6	42.4	42.6	41.7	41.4	41.7
Boston market:							
Territory, scoured basis-							
64s,70s,80s, staple combing	119.1	117.8	119.0	119.0	119.0	119.0	119.0
56s combing	102.6	104.2	104.5	104.5	104.5	104.5	104.5
Bright fleece, greasy-							
64s,70s,80s delaine	47.2	46.9	47.0	47.0	47.5	47.5	47.5
56s combing	51.8	54.2	54.5	54.5	54.5	54.5	54.5
Foreign wool, in bond:							
Scoured basis-							
Australian 64s,70s good							
top-making 1/	75.4	75.9	72.1	70.0	74.5	74.5	75.5
Cape, short combing	72.8	72.5	72.5	72.5	72.5	72.5	72.5
Grease basis-							
Montevideo 60-64s	43.0	41.4	39.4	39.3	39.5	39.5	39.5
Montevideo 1s (56s)	42.5	41.4	40.7	41.3	42.5	42.0	42.0
Other textile fibers:							
Cotton, 15/16-inch							
Middling 2/	19.3	20.6	21.2	21.4	22.7	22.6	22.4
Rayon staple fiber 3/							
Viscose 1-1/2 denier	25.0	24.4	24.8	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	43.0	41.9	43.0	38.0	38.0	38.0

Domestic wool prices are from the Production and Marketing Administration; foreign wool prices are from the Boston Commercial Bulletin, except as otherwise noted, and are before payment of duty.

1/ Quotations from the Production and Marketing Administration. 2/ Average at 10 markets. 3/ F.o.b. producing plants, Bureau of Labor Statistics.

Wool: Mill consumption in the United States, 1943-45

Item	Total		Weekly average				
	1943 1/	1944	Jan.- June 1944	June 1945	June 1944 2/	May 1945 3/	June 1945 3/
	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Grease basis:							
Apparel wool -:							
Domestic	430,456	318,250	5,825	7,502	5,849	6,572	7,010
Foreign	630,968	690,555	14,065	14,916	12,365	15,399	15,220
Total	1,061,424	1,008,805	19,890	22,418	18,214	21,971	22,230
Carpet wool ..	43,732	60,859	1,159	1,065	1,155	1,030	1,015
Scoured basis:							
Apparel wool -:							
Domestic	203,530	150,638	2,756	3,568	2,685	3,125	3,312
Foreign	388,284	426,246	8,712	9,246	7,693	9,596	9,524
Total	591,864	576,884	11,468	12,812	10,378	12,721	12,836
Carpet wool ..	32,240	45,539	876	781	887	758	745

Compiled from reports of the Bureau of the Census.

1/ 52-week totals based on weekly averages for reporting year. 2/ 5-week period.

3/ 4-week period.

**Livestock: Marketings and slaughter statistics, by species,
August 1945, with comparisons**

Item	Unit	January-August			1944	1945	
		1943	1944	1945	August	July	August
Cattle and calves -							
Number slaughtered under							
Federal inspection:							
Steers	Thous.	3,725	4,172	4,643	482	570	596
Cows and heifers	"	2,816	3,988	4,075	775	433	636
All cattle	"	6,816	8,589	9,071	1,339	1,050	1,292
Calves	"	2,869	4,554	4,153	756	482	609
Percentage cows and							
heifers are of total							
cattle	Pct.	41.3	46.4	44.9	57.9	41.2	49.2
Average live weight:							
Cattle	Lb.	972	945	957	892	955	923
Calves	"	184	196	192	249	217	241
Total dressed weight:							
Cattle	Mil.lb.	3,637	4,281	4,646	602	543	627
Calves	" "	295	494	443	103	58	81
Shipments of feeder cattle							
and calves to eight Corn							
Belt States 1/	Thous.	937	945	952	236	104	203
Hogs -							
Number slaughtered under							
Federal inspection:.....	Thous.	39,789	50,352	26,822	4,145	2,752	2,206
Average live weight	Lb.	260	246	264	255	297	304
Percentage packing sows							
are of all purchases at							
seven markets	Pct.	14	10	8	32	23	26
Total production under							
Federal inspection:							
Pork	Mil.lb.	5,985	6,852	4,174	582	475	388
Lard 2/	" "	1,319	1,811	862	153	105	87
Average yield per hog:							
Pork	Lb.	150.8	136.4	155.1	140.8	173.0	176.4
Lard 2/	"	33.2	36.0	32.2	37.1	38.3	39.4
Storage stocks end of							
month:							
Pork	Mil.lb.	---	---	---	478	345	3/286
Lard 2/	" "	---	---	---	240	79	3/69
Sheep and Lambs -							
Number slaughtered under							
Federal inspection	Thous.	13,648	13,638	13,961	1,924	1,742	1,563
Average live weight	Lb.	91	89	94	86	90	93
Total dressed weight	Mil.lb.	567	555	598	75	72	67
Feeder sheep and lamb							
shipments to eight Corn							
Belt States 1/.....	Thous.	1,635	1,079	1,006	382	100	354
Total dressed weight of							
livestock slaughtered under							
Federal inspection	Mil.lb.	12,295	14,660	11,045	1,572	1,293	1,282

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska. 2/ Including rendered pork fat. 3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by
species August 1945, with comparisons

Item	1944	August			1945		
	annual	1933-42	1943	1944	June	July	August
	average	average					
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves-							
Beef steers sold out of first hands at Chicago:							
Choice and Prime	17.05	11.31	16.13	17.74	17.15	17.29	17.25
Good	15.73	10.24	15.29	16.42	16.16	16.17	15.98
Medium	13.87	8.70	13.87	14.04	14.60	14.11	13.37
Common	11.25	6.97	11.69	11.07	12.36	11.66	11.23
All grades	15.44	10.31	15.36	16.07	16.58	16.64	16.42
Good grade cows at Chicago	13.21	6.93	12.80	13.43	13.98	13.84	13.31
Vealers: Good and Choice at Chicago	14.86	9.92	15.49	14.55	15.40	15.11	14.72
Stocker and feeder steers at Kansas City	11.78	7.43	12.17	11.50	13.73	13.54	13.08
Average, price paid by packers							
All cattle	11.08	7.32	11.95	10.25	13.82	13.37	12.33
Steers	13.77	---	13.88	13.43	15.74	15.45	14.71
Calves	11.59	7.80	12.61	11.28	13.67	13.50	12.67
Av. price rec'd by farmers							
Beef cattle	10.80	6.81	12.00	10.30	12.90	12.80	12.50
Veal calves	12.60	7.97	13.60	12.40	13.80	13.90	13.80
Hogs							
Average market price at Chicago:							
Barrows and gilts	13.77	---	14.42	14.58	14.75	14.75	14.75
Sows	12.75	---	13.50	13.99	14.00	14.00	14.00
All purchases	13.57	8.70	13.97	14.32	14.69	14.54	14.51
Average price paid by packers	13.43	8.70	13.79	14.06	14.61	14.45	14.44
Av. price rec'd by farmers	13.10	8.46	13.70	13.50	14.10	14.00	14.00
Average price No. 3 Yellow corn at Chicago 1/	114.6	75.0	106.5	115.5	117.9	117.9	118.0
Hog-corn price ratio at Chicago 2/	11.8	11.7	13.1	12.4	12.5	12.3	12.3
Sheep and lambs -							
Lambs, spring, Good and Choice at Chicago	---	9.60	13.99	14.60	16.02	16.14	14.32
Feeding lambs, Good and Choice at Omaha	---	8.37	13.47	12.71	---	---	14.53
Ewes, Good and Choice at Chicago	---	3.74	6.03	5.23	7.90	8.08	6.82
Average price paid by packers for sheep and lambs	12.08	8.36	10.43	11.27	11.95	12.29	10.89
Average Price rec'd by farmers							
Sheep	6.05	3.82	6.53	5.77	6.74	6.82	6.46
Lambs	12.60	7.79	12.80	12.20	13.40	13.50	13.00
Index retail meat prices 4/	111.7	86.9	111.5	110.9	113.2	113.2	---
Index income of industrial workers 5/	255.2	95.0	255.0	254.0	233.3	---	---

1/ Cents per bushel. 2/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 3/ Shorn basis. 4/ Bureau of Labor Statistics, converted to 1924-29 base. 5/ Bureau of Agricultural Economics 1924-29=100.